

SOUTH SUBURBAN PARK AND RECREATION DISTRICT

6631 South University Boulevard

Littleton, CO 80121

Telephone: (303) 798-5131

Facsimile: (303) 798-3030

February 2, 2001

Golenbock, Eiseman, Assor & Bell  
437 Madison Avenue  
New York, NY 10022  
Attn: Jonathan L. Flaxer

RE: Randall's Island Family Golf Centers, Inc., et al.  
Chapter 11  
Case No. 00-B-41065 (SMB) through 00-B-41196 (SMB)  
February 9, 2001 Auction

Offer for Denver Family Golf and Family Sports Entertainment Center, Englewood,  
Colorado

Dear Mr. Flaxer:

This offer is submitted by The South Suburban Park and Recreation District, a quasi-municipal corporation and political subdivision of the State of Colorado ("District"), in response to the January 12, 2001 Solicitation For Bids ("Solicitation") with regard to the above-referenced Auction.

The District hereby offers to purchase two (2) of the assets identified in the Solicitation as Sites 505 and 323, both of which are located adjacent to each other at 6901 South Peoria Street, Englewood, Colorado and both of which were constructed and are operated pursuant to a Ground Lease ("Lease") made between Arapahoe County Public Airport Authority (as "Landlord") and Denver Family Golf Centers, Inc., (as "Lessee").

The District offers Seven Million Dollars (\$7,000,000) for the Lease and included personal property, subject to Closing costs and adjustments, as more particularly set forth in the Contract for Assignment of Lease or Concession, which is included with this letter. In accordance with the Bidding Procedures, the District allocates \$6,900,000 of the amount being offered to the real property ("Lease"), and \$15,000 to the personal property located at Denver

Family Golf Centers, Inc. (Site 323) and \$85,000 to the personal property located at the Family Sports Entertainment Center (Site 505).

In accordance with the Bidding Procedures, please find enclosed the following:

1. Duly completed Bidder Registration form;
2. The District's earnest money deposit in the amount of \$700,000 in the form of a cashier's check drawn on the Wells Fargo Bank, N.A., payable to Golenbock, Eiseman, Assor & Bell, as counsel for the Debtors; and
3. A fully-executed and completed copy of the Contract for Assignment of Lease or Concessions with all Exhibits attached.

This offer shall remain irrevocable until the earlier to occur of: (i) the Closing (as defined in the Solicitation) or (ii) thirty (30) days following the last date of the Auction, as adjourned.

#### Financial Ability to Consummate Transaction

The District, a quasi-municipal corporation and political subdivision of the State of Colorado, is one of the largest public recreation districts in the metropolitan Denver area. The District recently successfully completed the issuance of \$20,000,000 in general obligation bonds. Attached to this letter as Exhibit "A" is the statement of the District's general counsel, which contains a certification regarding the funds the District currently has available to consummate this transaction.

#### Future Performance

The District operates pursuant to Title 32-1-101 et. seq. of the Colorado Revised Statutes. To the extent permitted by law, the District has, pursuant to Section 32-1-1001(1)(f) C.R.S., through its governmental or enterprise functions, the authority to acquire, dispose of and encumber real and personal property, including without limitation, rights and interests in leases.

#### Taxes and Adjustments

For clarification purposes, this offer is submitted with the express understanding that notwithstanding any provision to the contrary contained in Paragraph 4 of the Contract for Assignment of Lease or Concessions, all real and personal property taxes attributable to the purchased Assets for calendar year 2000 and prior years shall be paid in full by Debtor, on or before Closing, together with all rents (basic, additional and percentage) for 2000 and prior years. In addition, as of 11:59 p.m. of the day before the date of Closing, all real and personal property taxes attributable to said Assets for calendar year 2001, together with all rents for 2001 (basic, additional and percentage) shall be adjusted between Seller and Purchaser.

Golenbock, Eiseman, Assor & Bell

February 2, 2001

Page 3

To facilitate the making of travel arrangements to New York, I would appreciate being notified as soon as possible, if the District has submitted a qualified Bid. Your consideration of the District's Bid is appreciated.

Sincerely yours,

David A. Lorenz, Executive Director

CC of Offer to:

Keen

Berlack, Israels & Liberman, LLP

Morgan, Lewis & Bockius

Family Golf Centers, Inc.